

Senate Study Bill 3196 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
REBUILD IOWA BILL BY
CHAIRPERSON HOGG)

A BILL FOR

1 An Act creating a disaster recovery fund and including
2 effective date and applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8.55, subsection 2, paragraph a, Code
2 2009, is amended to read as follows:

3 a. The maximum balance of the fund is the amount equal
4 to two and one-half percent of the adjusted revenue estimate
5 for the fiscal year. If the amount of moneys in the Iowa
6 economic emergency fund is equal to the maximum balance,
7 moneys in excess of this amount shall be transferred to the
8 ~~general~~ disaster recovery fund created in section 8.56A.

9 Sec. 2. NEW SECTION. **8.56A Disaster recovery fund.**

10 1. A disaster recovery fund is created. The fund shall be
11 separate from the general fund of the state and the balance in
12 the fund shall not be considered part of the balance of the
13 general fund of the state. The moneys credited to the fund
14 are not subject to section 8.33, and shall not be transferred,
15 used, obligated, appropriated, or otherwise encumbered except
16 as provided in this section.

17 2. The maximum balance of the fund is the amount equal to
18 ten percent of the adjusted revenue estimate for the fiscal
19 year. If the amount of moneys in the disaster recovery fund is
20 equal to the maximum balance, moneys in excess of this amount
21 shall be transferred to the general fund of the state.

22 3. a. If the president of the United States, at the request
23 of the governor, has declared a major disaster to exist in this
24 state, not more than fifty million dollars or twenty percent
25 of the unencumbered, unobligated balance of the disaster
26 recovery fund, whichever is less, as of the issuance date of
27 the executive council's determination in accordance with this
28 subsection, is appropriated to the department of management to
29 be used in accordance with this subsection to address necessary
30 disaster-related expenses, serious needs, or other assistance
31 for citizens of this state who are adversely affected by the
32 major disaster. The appropriation made in this subsection is
33 contingent upon the executive council issuing a determination
34 that the expenses, needs, and other assistance to be addressed
35 by the appropriation are within the purposes authorized in

1 paragraph "b" and cannot be funded by any other source.

2 *b.* The amount appropriated in this subsection shall only be
3 used for one or more of the following purposes:

4 (1) For the department of human services to provide
5 case management services for disaster-affected individuals
6 to identify sources of federal, state, local, private, and
7 charitable support.

8 (2) For the department of human services to provide grants
9 of not more than two thousand five hundred dollars to reimburse
10 disaster-affected families for unmet needs. The unmet needs
11 addressed by the grants may include expenses associated
12 with lost personal property, home repair, food assistance,
13 mental health assistance, utility assistance, child care, and
14 temporary housing.

15 (3) For the department of economic development to provide
16 case management services for disaster-affected businesses and
17 nonprofit organizations to identify sources of federal, state,
18 local, private, and charitable support.

19 (4) For the department of economic development to provide
20 assistance to disaster-affected businesses and nonprofit
21 organizations to repair property damaged in the disaster or to
22 maintain the wages and benefits of all or some of the persons
23 employed prior to the disaster whose employment is impacted by
24 the disaster.

25 (5) For the Iowa finance authority to provide grants to
26 temporarily or permanently repair or replace disaster-affected
27 housing.

28 (6) For the homeland security and emergency management
29 division of the department of public defense to provide
30 disaster assistance to units of local government. The disaster
31 assistance may include but is not limited to debris removal,
32 repair of infrastructure and facilities damaged in the
33 disaster, local case management services, services to address
34 local individual unmet needs, local housing assistance, and
35 local business or nonprofit organization assistance.

1 (7) For the department of management to provide matching
2 funding for the disaster-related necessary expenses or serious
3 needs of units of local or state governments in accordance with
4 section 29C.6, subsection 17.

5 c. Assistance provided under paragraph "b" shall not be used
6 to supplant any other financial support, assistance, or grants
7 provided by any federal or other state agency.

8 4. a. Moneys in the fund may be used for cash flow purposes
9 during a fiscal year provided that any moneys so allocated are
10 returned to the fund by the end of that fiscal year.

11 b. Except as provided in section 8.58, the disaster recovery
12 fund shall be considered a special account for the purposes of
13 section 8.53 in determining the cash position of the general
14 fund of the state for the payment of state obligations.

15 5. Notwithstanding section 12C.7, subsection 2, interest
16 or earnings on moneys deposited in the disaster recovery fund
17 shall be credited to the fund. Such credited moneys, if
18 appropriated, may be used for the expenses of providing ongoing
19 training and staffing for disaster response and recovery by
20 the department of human services, department of economic
21 development, Iowa finance authority, or division of homeland
22 security and emergency management of the department of public
23 safety.

24 Sec. 3. Section 8.58, Code 2009, is amended to read as
25 follows:

26 **8.58 Exemption from automatic application.**

27 1. To the extent that moneys appropriated under section
28 8.57 do not result in moneys being credited to the general
29 fund under section 8.55, subsection 2, moneys appropriated
30 under section 8.57 and moneys contained in the cash reserve
31 fund, rebuild Iowa infrastructure fund, environment first
32 fund, disaster recovery fund, and Iowa economic emergency fund
33 shall not be considered in the application of any formula,
34 index, or other statutory triggering mechanism which would
35 affect appropriations, payments, or taxation rates, contrary

1 provisions of the Code notwithstanding.

2 2. To the extent that moneys appropriated under section
3 8.57 do not result in moneys being credited to the general
4 fund under section 8.55, subsection 2, moneys appropriated
5 under section 8.57 and moneys contained in the cash reserve
6 fund, rebuild Iowa infrastructure fund, environment first fund,
7 disaster recovery fund, and Iowa economic emergency fund shall
8 not be considered by an arbitrator or in negotiations under
9 chapter 20.

10 Sec. 4. EFFECTIVE UPON ENACTMENT AND APPLICABILITY. This
11 Act, being deemed of immediate importance, takes effect upon
12 enactment and is applicable to moneys transferred from the Iowa
13 economic emergency fund pursuant to section 8.55, subsection 2,
14 paragraph "a", as amended by this Act, beginning with the close
15 of the fiscal year ending on June 30, 2010.

16 EXPLANATION

17 This bill creates a disaster recovery fund in new Code
18 section 8.56A.

19 Under current state financing law, surplus state general
20 fund moneys are first credited to the cash reserve until
21 it reaches its maximum balance equal to 7.5 percent of the
22 adjusted revenue estimate for the applicable fiscal year, the
23 surplus moneys are credited to the Iowa economic emergency
24 fund until it reaches its maximum balance equal to 2.5 percent
25 of the adjusted revenue estimate. The bill provides for the
26 surplus moneys to flow to the disaster recovery fund once
27 the first two funds have reached the maximum balance. Under
28 current law, the surplus funding is transferred to the general
29 fund of the state. The bill provides that if the disaster
30 recovery fund reaches its maximum balance equal to 10 percent
31 of the adjusted revenue estimate, surplus moneys then flow to
32 the general fund.

33 The bill provides a contingent appropriation from the fund
34 to address the effects of a major disaster. The appropriation
35 amount is limited to the lesser of \$50 million or 20 percent of

1 the amount available in the fund.

2 The appropriation is contingent upon the president of the
3 United States having declared a major disaster to exist in this
4 state and the executive council issuing a determination that
5 the expenses, needs, and other assistance to be addressed by
6 the appropriation cannot be funded by any other source.

7 The appropriation can only be used for addressing necessary
8 disaster-related expenses, serious needs, or other assistance
9 for citizens of this state who are adversely affected by the
10 major disaster through one or more of the following authorized
11 purposes: case management and assistance provided by the
12 department of human services to disaster-affected individuals
13 and families; case management and assistance provided by
14 the department of economic development to disaster-affected
15 businesses and nonprofit organizations to address property
16 damage and the wages and benefits of disaster-affected
17 employees; for assistance provided by the Iowa finance
18 authority to repair or replace housing; for assistance provided
19 to local governments by the homeland security and emergency
20 management division of the department of public defense;
21 and for the department of management to provide matching
22 funding of up to 25 percent for federal assistance for the
23 disaster-related necessary expenses or serious needs of
24 units of local or state governments in accordance with Code
25 section 29C.6, subsection 17. The moneys from the contingent
26 appropriation cannot be used to supplant any other financial
27 support, assistance, or grants provided by any federal or other
28 state agency.

29 Moneys credited to the new fund are otherwise not subject to
30 transfer, use, obligation, appropriation, or other encumbrance
31 except for disaster recovery. However, during the course of
32 a fiscal year moneys in the fund may be used for cash flow
33 purposes provided that any moneys so allocated are returned to
34 the fund by the end of that fiscal year.

35 Interest or earnings on moneys in the fund are retained by

1 the fund instead of the general fund as otherwise provided in
2 Code section 12C.7. These retained moneys may be appropriated
3 for training and staffing of disaster and recovery functions
4 of the state agencies receiving funding from the contingent
5 appropriation in the bill.

6 Code section 8.58 is amended to include the disaster
7 recovery fund in the list of various reserve funds that are
8 exempted from being considered to be available for any formula,
9 index, or other statutory triggering mechanism which would
10 affect appropriations, payments, or taxation rates or being
11 considered by an arbitrator or in negotiations under Code
12 chapter 20, relating to public employee collective bargaining.

13 The bill takes effect upon enactment and applies to
14 transfers of surplus moneys from the Iowa economic emergency
15 fund beginning with the fiscal year ending on June 30, 2010.